For Hillenbrand.

UNDel authorized use in Working Group "Security and Arms Control Provisions of the Phased Plan for German Reumification," which was enclosure to Merchant-Irvin letter dated April 9, 1959, subject to following revisions as agreed State and Defense.

Stage I.

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Agency Case Natl 8901762

NIE Case 89-169-22

NIE Date \$1085

Stage II.

Delete paras 2 and 3.

Add new paragraph 2.

"2. The Four Powers will restrict or reduce their armed forces to the following maximum limits: United Kingdom 750,000 men; France 750,000 men; United States 2,500,000 men; Soviet Union 2,500,000 men. During this same period, these states will place in storage depots, within their own territories, and under the supervision of an international control organization, specific quantities of designated types of armaments to be agreed upon and set forth in lists annexed to the agreement."

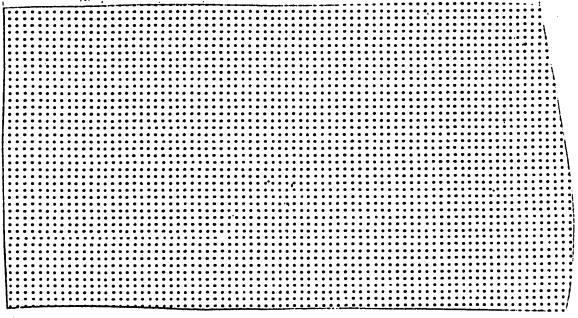
Add as new paragraph 3.

"3. The Four Powers will be prepared to negotiate on a further limitation of their armed forces and armaments to become effective in Stage III subject to: (a) verification of compliance with the provisions of para 2 above, (b) agreement by other essential states to

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"2. The Four Powers will restrict or reduce their armed forces to the following maximum limits: United Kingdom 750,000 men; France 750,000 men; United States 2,500,000 men; Soviet Union 2,500,000 men. During this same period, these states will place in storage depots, within their own territories, and under the supervision of an international control organization, specific quantities of designated types of armaments to be agreed upon and set forth in lists annexed to the agreement."

Add as new paragraph 3.

"3. The Four Powers will be prepared to negotiate on a further limitation of their armed forces and armaments to become effective in Stage III subject to: (a) verification of compliance with the provisions of para 2 above, (b) agreement by other essential states to

accept limits on their armed forces and armements, fixed in relation to the limits of the armed forces and armements of the Four Powers, and (c) installation of an inspection and control system to verify compliance with all agreed security measures."

Insert as paragraph 4.

"4. As agreed by the Four Powers and other states concerned, measures of inspection and observation against surprise attack could be undertaken in parts of Europe, the Arctic area, and Siberia and the North American Continent."

Remmber present para 4 as para 5.

Stage III.

Delete para 1 and substitute:

"1. Upon the establishment of an all-German government, and at the same time, as agreement is reached in accordance with paragraph 3, below, on over-all ceilings, the U.S., U.K., France and the USSR should also agree that in a zone comprising a reunified Germany, Poland, Czechoslovakia and possibly Hungary, agreed ceilings will be put into effect on the total number of effective combat forces of non-German NATO countries and the total number of Soviet effective combat forces subject to the following conditions." (Present paras 1 (a) and 1 (b) remain as worded.)

Group recommend numerical ceilings on non-German NATO and Soviet combat
forces in the security zone has been considered by State and Defense. It
is considered undesirable to specify such force ceilings at this time. The
U.S. could accept the MC-70 force requirements for this purpose. However,
such a proposal to the Soviets at the outset would have no appeal, as it
would appear that we are not prepared to negotiate a limitation to reduce
armed forces. In the event that the Soviet Union is willing to negotiate
seriously on German reunification, we would be prepared to discuss specific
limitations and reductions of non-German NATO armed forces.

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Delete present paragraph and insert new para 2:

"2. Ceilings would be agreed upon for the total forces of a reunified Germany and the total forces of Poland and Czechoslovakia, and possibly Hungary, these ceilings should go into effect at the time of the formation of an all-German government."

Comment: Same as para 1 above. Further, GFR forces are now far below NATO force requirements and Soviets would probably attempt to freeze them at present levels.

Delete present para 3 - Insert as new para 3:

"3. Providing that the limitations and conditions set forth on armed forces and ammaments in Stage II are met, the Four Powers will further limit their armed forces to the following levels: France, 700,000 men; U.K., 700,000 men; U.S., 2.1 million men; and USSR, 2.1 million men. Further reductions in the armed forces and armaments of other essential states would take place at the same time in accordance with para 3, Stage II."

Delete para 4. Insert new para 4:

"After verified compliance with the above limitations, and subject to the same conditions, negotiations would be undertaken on further limitations to not less than: France, 650,000 men; U.K., 650,000 men; U.S., 1.7 million men; and USSR, 1.7 million men. The levels of the excential states would be specified at the same time through negotiations with them.

Paragraph 5. Delete.

Comment: It is not considered desirable for the U.S. to take the initiative in proposing restrictions on missiles in Germany. The U.S. is considering German participation in second generation IRBM program. FYI. This matter is being explored with Germans at Governmental level; therefore, if proposal made in Working Group on prohibition missiles in Germany US Del should request guidance. END FYI.



Delete present Persgraph 7, renumber succeeding paragraphs.

Add following as new Paragraph 9:

"Implementation of the above security provisions would be dependent upon the establishment of an effective control and inspection system to assure varification and agreement by the all German Government to the security measures called for in Stage III. The security measures would continue in force as long as the control system is operative and effective and the security provisions are being fulfilled and observed."

Delate present Paragraph 10 and footnote. Comments on custody U. S. muclear warheads mentioned Stage I apply.